

Residential Strata Insurance

Target Market Determination (TMD)

Product Disclosure Statement (PDS):	Vero Residential Strata Insurance Product Disclosure Statement (PDS) & Policy Wording PDS prepared 01 May 2026 including any Supplementary Product Disclosure Statement (SPDS)
Product:	Building and common area contents insurance contained in the PDS
Original Date:	01 May 2026
Updated:	N/A
Issuer:	AAI Limited ABN 48 005 297 807 trading as Vero Insurance (Vero)
AFSL number:	230859

What is a Target Market Determination?

A Target Market Determination (TMD) is a determination that Vero has made to:

- describe the classes of customers for whom this Product has been designed;
- specify distribution conditions;
- specify TMD review periods and triggers; and
- set out reporting requirements.

This TMD assists Vero staff, our distributors and customers in understanding the target market for this Product. In this TMD, distribution includes the following conduct in relation to retail customers:

- dealing in the Product (e.g. issuing or arranging for insurance to be issued to a customer);
- giving a PDS or other regulated disclosure document; and
- providing general financial product advice in relation to the Product.

This TMD is not the PDS and is not a summary of the features or terms of the Product. For full details of the cover available in this Product, including the terms, conditions and exclusions that apply read the PDS which can be found at www.vero.com.au.

What Product does this TMD apply to?

This TMD only applies to Policy Section 1 – Insured Property.

Policy Section 1 – Insured Property is a retail product to which this TMD applies if the policy insures a building which is used or intended to be used principally and primarily as a place of residence.

There are other policy sections contained in the PDS and Policy Wording but they are not retail insurance products and therefore not subject to this TMD.

What is the target market for this Product?

The target market for Vero Residential Strata Insurance is those customers for whom the Product is likely to be suitable, taking into account:

- the key attributes;
- the likely objectives, financial situation and needs of customers who will acquire the policy; and
- key eligibility and suitability criteria.

What are the key attributes of this Product?

A customer can choose to tailor cover under their policy to meet their own financial situation, objectives and needs.

The choices that the customer can make may impact the excess amount, policy premium amount and structure.

Customers can adjust the premium, and some other amounts payable under the policy to suit their circumstances by choosing from a range of excesses, sums insured and options.

The product has one policy section, Policy Section 1 – Insured Property, to which this TMD applies. The below table describes the key attributes for this policy section.

Vero Residential Strata Insurance	
Policy Section 1 – Insured Property	Cover for Loss or Damage to the customer's Insured Property, including Building and Common Area Contents, during the period of insurance, not otherwise excluded under the policy. Also provides a range of Extensions of Cover, Additional Covers, Optional Additional Covers and Additional Benefits available under this Product.

The following policy sections are available under the policy, but are not the subject of this TMD:

- Policy Section 2 – Property Owner’s Legal Liability
- Policy Section 3 – Voluntary Workers
- Policy Section 4 – Fidelity Guarantee
- Policy Section 5 – Office Bearers’ Liability
- Policy Section 6 – Government Audit Costs, Health & Safety Appeals Expenses, and Legal Defence Expenses
- Policy Section 7 – Machinery Breakdown

What are the likely objectives, financial situation and needs of customers in the target market?

Vero Residential Strata Insurance is designed for customers with buildings that are structurally sound and are appropriately maintained in line with Owners Corporation obligations. The below table further describes the likely objectives, financial situation and needs of the target market for Policy Section 1 – Insured Property.

Objectives and needs		Residential Strata
Policy Section 1 – Insured Property	Cover for Loss or Damage to Insured Property, including Building and Common Area Contents in a predominantly Residential Strata scheme for an Owners Corporation, Body Corporate or equivalent ownership structure.	✓
	Extensions of Cover	✓
	Additional Covers	✓
	Optional Additional Covers	✓
	Additional Benefits	✓

Financial situation

Customers who are able to pay premiums, in accordance with their chosen policy structure, and any other amounts payable under the policy terms, as and when they become payable (for example, a policy excess).

Who is the Product suitable for?

Those customers the Product is suitable for, and is not suitable for, based on Product terms and eligibility criteria, are set out below.

Residential Strata Insurance

This Product is suitable for customers who:	This Product is not suitable for:
<ul style="list-style-type: none"> ✓ require cover for Building and Common Area Contents, that is used predominantly for residential purposes. ✓ require cover for properties that are either Strata or Community titled properties. 	<ul style="list-style-type: none"> ✓ covering Common Area Contents only. ✓ properties predominantly used for commercial purposes. ✓ properties with a commercial occupancy proportion above Vero’s underwriting thresholds. ✓ properties that are not either Strata or Community titled properties. ✓ Individual Lot Owners of Strata-titled properties seeking comprehensive cover for their contents and personal effects. ✓ buildings such as (but not limited to) hotels, motels, resorts and ski lodges, chalets. ✓ buildings where: <ul style="list-style-type: none"> - used as boarding or guest house; - used as farm (including hobby farm); - occupied by trespassers or unauthorised persons.

Why is the Product appropriate for customers in the target market?

The product is likely to provide value to, and be consistent with the likely objectives, financial situation and needs of, the customers in the target market because:

- the Product provides cover for the types of loss or damage that customers in the target market might need; and
- the Product can be tailored to suit individual objectives, needs and financial circumstances by allowing customers flexibility to choose from a range of excesses, sums insured and cover options.

When will we review this TMD?

We will complete a review of this TMD for this Product by no later than the following periods:

- a. First review period: By 01 May 2027
- b. Ongoing review periods: At least every 2 years following the first review period.
- c. Significant impact review: Within 1 year of the TMD being updated based on a Review Trigger, a significant dealing outside of target market or a material change to the Product's distribution channel.

Other circumstances which will trigger a TMD review

Triggers for this Product are:

- if one or more terms of the Product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate;
- an event or circumstance occurs that materially changes a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements;
- the discovery of a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- if feedback, such as significant or systemic complaints or claims issues, is received from a distributor or customers who purchased the Product, and we consider that this reasonably suggests to us the TMD is no longer appropriate;
- if feedback, regulatory orders or directions received from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) suggest this TMD is no longer appropriate;
- if a change in law, regulation, or regulatory guidance that materially affects the Product design or distribution of the Product (or class of Products that includes this Product) where we consider that this reasonably suggests that this TMD is no longer appropriate;
- where significant dealings outside the TMD occurs, and we consider that this reasonably suggests that this TMD is no longer appropriate;
- if a remediation event relating to this Product occurs where we consider this would reasonably suggest that:
 - this Product is unsuitable for a particular cohort of customers; and
 - the TMD may no longer be appropriate.
- if we consider, through our ongoing monitoring of Product value data metrics (such as those identified in the section of this TMD titled 'Information to assess TMDs and reporting periods'), that material deviations have occurred in a combination of data metrics reasonably suggesting that the Product is not providing value or the TMD is no longer appropriate.

What distribution conditions apply to this Product?

The following conditions apply to this Product:

- this Product must only be distributed by an Australian based and appropriately licensed insurance broker or other intermediary (Distributor) with which Vero has an agreement to distribute this product;
- Distributors who distribute the Product must be authorised by us to do so, and those arrangements must not be cancelled or suspended;
- this Product must only be distributed in accordance with this TMD;
- distribution of this Product must comply with all of our eligibility and underwriting criteria;
- this Product must only be distributed by authorised Distributors using our policy administration system;
- this Product cannot be distributed where this TMD is not up to date and no new TMD has been published; and
- the TMD must be current and not subject to any ASIC action that might suggest that the TMD is no longer appropriate.

These distribution conditions are supported by business processes including reasonable platform controls (such as knockout underwriting questions) and quality assurance programs designed to ensure that the product is distributed to customers within the target market.

When do Third Party Distributors who distribute our products need to report complaints about this product to us?

Third Party Distributors who distribute our products need to provide us information on complaints made about this product on a Quarterly basis (Complaints Reporting Period).

Third Party Distributors who distribute our products are required to provide to us this complaints information within 10 business days of the end of the Complaints Reporting Period.

All complaints lodged with us are handled in accordance with Suncorp's Group Complaint Management Standard.

Information to assess TMDs and reporting periods

The table below sets out the kinds of information we need to identify, or those that Distributors who distribute our Product need to provide to us, to enable us to ensure that the TMD for this Product continues to be appropriate.

Information	Persons required to report	Reporting period
Complaints feedback including: <ul style="list-style-type: none"> • Nature of complaints • Number of complaints • Product category 	Distributors / Issuer	Quarterly
Claims data including: <ul style="list-style-type: none"> • Claims decline rate • Claims withdrawal rate • Claims acceptance rate • Loss ratio 	Issuer	Quarterly
Sales information including: <ul style="list-style-type: none"> • Policy renewal rate • Cancellation rate 	Issuer	Quarterly
Dealings of product outside of TMD	Distributors / Issuer	As soon as practicable but within 10 business days
Any feedback, regulatory orders or directions received from a regulator, CGC or AFCA in respect of the product or its distribution	Distributors / Issuer	As soon as practicable but within 10 business days



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